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Supreme Court, U.S.
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No. 01-541

IN THE

Supreme Court of the United States

ACCUSCAN, INC.,

Petitioner,

v.

XEROX CORPORATION,

Respondent.

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

PETITIONER'S REPLY BRIEF

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PARTIES TO THE PROCEEDING

The names of all parties in the court whose judgment is sought to be reviewed appear in the caption of the petition for writ of *certiorari*.

Petitioner, AccuScan, Inc. ("AccuScan"), has no parent company and no publicly held company owns 10% or more of its stock.

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PETITIONER'S REPLY MEMORANDUM

I. THE DECISION BELOW UNQUESTIONABLY IMPLICATES *FESTO*

Xerox cannot dispute, and apparently concedes, that the Federal Circuit relied on its decision in *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.*, 234 F.3d 558 (Fed. Cir. 2000) (*en banc*), *cert. granted*, 121 S.Ct. 2519, 150 L.Ed.2d 692 (Jun. 18, 2001) (No. 00-1543), which this Court is currently reviewing, in reaching the decision below that there was no infringement under the doctrine of equivalents. In fact, the only reference in the decision below to infringement under the doctrine of equivalents comes in a single paragraph:

> For purposes of infringement under the doctrine of equivalents, the patentee is bound by the clear and unmistakable surrender of the structure employed by Xerox. *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co. Ltd.*, 234 F.3d 558, 564, 56 USPQ2d 1865, 1869 (Fed. Cir. 2000); *Texas Instruments, Inc. v. United States Int'l Trade Comm'n*, 988 F.2d 1165, 1173, 26 USPQ2d 1018, 1024-25 (Fed. Cir. 1993). Thus, none of the products in the four accused Xerox product lines may be held to infringe either of the asserted claims of the '144 patent either literally or under the doctrine of equivalents.

(AccuScan Pet. App. 13a).

Nevertheless, in opposing AccuScan's petition for a writ of *certiorari*, Xerox attempts to distance itself and the decision below from *Festo* by asserting that the decision below did not apply the "complete bar" approach to

application of the doctrine of equivalents announced in *Festo* (Brief In Opp., at 14-15), but instead applied what is more akin to the "flexible bar" approach where "courts examine the particular amendment made during prosecution and determine whether the accused 'device [was] similar to the prior art that had provoked the amendment.'" (Brief In Opp., at 15 (*quoting Festo*, 243 F.3d at 572)).[1] Consistent with the "flexible bar" approach described above, Xerox then goes on to argue that the Federal Circuit in the decision below "clearly did *not* rely on the *Festo* "complete bar," but instead ... carefully considered the arguments made by AccuScan and then examined whether Xerox's accused devices constituted the sort of devices disavowed by AccuScan during prosecution." (Brief In Opp., at 15).

This argument is nonsensical. The Federal Circuit could *not* have been relying on the "flexible bar" approach in the decision below, as suggested by Xerox, because, as acknowledged by Xerox, this approach had already been rejected by the *en banc* court in *Festo*. (Brief In Opp., at 15 ("The 'complete bar' approach should be contrasted to the 'flexible bar' approach ***rejected*** by the *en banc* court in *Festo*.") (emphasis added); *see also Festo*, 234 F.3d at 575 ("After our long experience with the flexible bar approach, we conclude that its 'workability' is flawed.")). Unquestionably, the citation to *Festo* in the decision below was not intended to and could not somehow alter the *en banc* court's *Festo* decision, which rejected the "flexible bar" approach to prosecution history estoppel.

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[1] Xerox also cites to the Federal Circuit's decision in *Texas Instruments* to demonstrate that the court below did not apply *Festo*'s "complete bar" approach, but concedes that *Texas Instruments* was decided under the "flexible bar" approach, which approach Xerox acknowledged to have been subsequently rejected by the *en banc* court in *Festo*. (Brief In Opp., at 15, 17; *see also Festo*, 234 F.3d at 575).

Moreover, Xerox's suggestion that the Federal Circuit's citation to *Festo* in the decision below was not cited for the "complete bar" holding of that case, but rather only to provide a general description of the doctrine of prosecution history estoppel, warrants little response. (Brief In Opp., at 16). The fact that the page citation to the parallel "USPQ2d" citation may have been incorrect, particularly in light of the accuracy of the page citation to the official "F.3d" reporter, cannot alter the fact that the court below unquestionably relied on *Festo* to preclude AccuScan's reliance on the doctrine of equivalents.

Thus, should the Federal Circuit's decision in *Festo* be reversed or otherwise altered by this Court, then the decision below will be similarly affected, mandating at least a vacation and remand for further consideration.

II. THE DECISION BELOW NOT ONLY IMPLICATES *FESTO*, BUT SIGNIFICANTLY EXPANDS THE LAW ENUNCIATED IN *FESTO*

In opposing AccuScan's petition, Xerox also argues that the decision below does not "constitute an expansion of the Federal Circuit's decision in *Festo*." (Brief In Opp., at 21). To the contrary, however, as discussed at pages 13-17 of AccuScan's petition, the Federal Circuit, in the decision below, indisputably relied upon its claim construction determination to completely bar application of the doctrine of equivalents. (AccuScan Pet. App. 13a). This represents a significant expansion of the law enunciated in *Festo*, which held "that prosecution history estoppel acts as a complete bar to the application of the doctrine of equivalents when an amendment has narrowed the scope of a claim for a reason related to patentability." *Festo*, 234 F.3d at 574. Thus, the decision below raises the question of whether *Festo*'s

"complete bar" approach for narrowing *amendments* in the patent prosecution history should be extended to *arguments* as well.

Here, the Federal Circuit's claim construction analysis turned on statements made by the patentee in the '144 patent prosecution history, as opposed to a narrowing amendment to the claims.[2] (AccuScan Pet. App. 8a-13a). Thus, despite the absence of an explicit claim amendment, the Federal Circuit, upon completion of its claim construction analysis, invoked the law announced in *Festo* and summarily precluded any finding of infringement under the doctrine of equivalents. (AccuScan Pet. App. 13a).

While Xerox does not dispute that the Federal Circuit relied on its claim construction analysis in precluding infringement under the doctrine of equivalents, it nonetheless argues that determination of literal infringement and prosecution history estoppel "are often made based on the same underlying facts" and that this Court should imply that the Federal Circuit conducted a separate, detailed analysis to determine whether prosecution history estoppel precluded application of the doctrine of equivalents. (Brief In Opp., at 18-19, 21). Not only is the decision below silent with respect to the exact basis for precluding application of the doctrine of equivalents, but it is well established that consideration of

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[2] While one of the claims at issue—Claim 1—was amended during prosecution of the '144 patent, the Federal Circuit did not rely on that amendment in the decision below, but rather on statements directed to non-amended claim limitations that accompanied the amendment (*i.e.*, the "separate storage" and "division" limitations). There is no reference whatsoever to the claim amendment itself in the decision below (AccuScan Pet. App. 8a-13a), yet Xerox expressly argues amendment of Claim 1 as a basis to support the Federal Circuit's decision. (Brief In Opp., at 8, 20 n.4).

statements made in the prosecution history for the purposes claim construction is *entirely distinct* from consideration of those statements for purposes of prosecution history estoppel:

> Southwall seems to imply that principles of prosecution history estoppel are relevant in the claim construction step of a determination of literal infringement. ***There is, however, a clear distinction between following the statements in the prosecution history in defining a claim term, and the doctrine of prosecution history estoppel***, which limits expansion of the protection under the doctrine of equivalents when a claim has been distinguished over relevant prior art. *Biodex Corp. v. Loredan Biomedical, Inc.*, 946 F.2d 850, 862, 20 USPQ2d 1252, 1262 (Fed. Cir. 1991), *cert. denied*, 504 U.S. 980, 112 S.Ct. 2957, 119 L.Ed.2d 579 (1992). Claim interpretation in view of the prosecution history is a preliminary step in determining literal infringement, while prosecution history estoppel applies as a limitation on the range of equivalents if, after the claims have been properly interpreted, no literal infringement has been found. *See Senmed, Inc.*, 888 F.2d at 818-21, 12 USPQ2d at 1511-13. ***The limit on the range of equivalents that may be accorded a claim due to prosecution history estoppel is simply irrelevant to the interpretation of those claims***.

Southwall Technologies, Inc. v. Cardinal IG Co., 54 F.3d 1570, 1578 (Fed. Cir. 1995) (emphasis added); *see also Spectrum Intern., Inc. v. Sterilite Corp.*, 164 F.3d 1372, 1378 n.2 (Fed. Cir. 1998).

In sum, the decision below not only relied on *Festo* to preclude application of the doctrine of equivalents, but it significantly expanded upon the law enunciated in that case to completely bar any range of equivalents based solely on statements made in the patent prosecution history, as opposed to a narrowing amendment.

III. THE DECISION BELOW ERADICATES SEVENTH AMENDMENT GUARANTEES

Xerox also argues that the decision below does not implicate any Seventh Amendment concerns because the application of prosecution history estoppel is a question of law that was "correctly" applied in the decision below. (Brief In Opp., at 21-23). Nevertheless, the issue of whether an accused device infringes, literally or under the doctrine of equivalents, is a factual issue that was properly submitted to the jury below, which twice rendered a verdict for AccuScan. The Federal Circuit's decision, under the guise of claim construction and prosecution history estoppel, has improperly taken away those verdicts. By blurring the distinction between the analysis underlying claim construction and that underlying prosecution history estoppel, the Federal Circuit, without explanation of its reasoning, has effectively removed from the jury the right to consider the issue of infringement under the doctrine of equivalents when claim construction is informed by *arguments* made in the patent prosecution history.

The Federal Circuit's failure to differentiate between the claim construction analysis and prosecution history estoppel is further compounded by the fact that, despite Xerox's suggestion to the contrary (Brief In Opp., at 23), the Federal Circuit improperly construed the '144 patent claims to be limited *beyond* the arguments made in the prosecution history. *See Cybor Corp. v. FAS Technologies, Inc.*, 138

F.3d 1448, 1458 (Fed. Cir. 1998) (*en banc*) (recognizing that the prosecution history should not limit scope of claims beyond arguments made by the patentee to distinguish over the prior art).

Specifically, with respect to the "division" limitation, despite acknowledging that "a signal representative of a division or a signal representative of a quotient may be obtained by multiplication of a reciprocal—as is done in Xerox's DocuTech system—or by subtracting logarithmic values—as is done in Xerox's 5775 copier" (AccuScan Pet. App. 9a-10a), the Federal Circuit nevertheless concluded that there could be no infringement of Claims 1 and 17 of the '144 patent because "AccuScan explicitly disclaimed such an interpretation during prosecution." (*Id.* at App. 10a). In reaching this decision, the court below erroneously concluded that the patentee had disclaimed every form of multiplication, when, in fact, the patentee had simply distinguished the claimed invention over the mathematical function utilized in the prior art reference. Furthermore, the Federal Circuit failed to recognize that a reciprocal—as used in Xerox's accused DocuTech system—is by definition, and in accordance with the substantial evidence at trial, a division into one, thus satisfying even the appellate court's narrow interpretation of the claims.

Similarly, the decision below also cited to statements made in the prosecution history of the '144 patent to unduly limit the claims to storing the white reference (V_w) in its "pure form," when no such statement was ever made. (AccuScan Pet. App. 13a). In contrast, the '144 patent prosecution history unequivocally evidences that the prior art was distinguished based on its failure to continually use the white reference (V_w) throughout the scan of the entire document; the prior art reference determined a new V_w from the white margin of each line of the document (line-by-line calibration). Thus, the prior art reference totally discarded

the initially measured V_w so that it was not available to correct the input signal throughout the scan of the document. Nevertheless, the court below narrowly construed Claims 1 and 17 of the '144 patent to "require continuous 'storing' of the V_w value in its *pure form*, and continuous 'combining' of this value throughout the scanning of the document." (AccuScan Pet. App. 13a) (*emphasis added*). Such a narrow construction misconstrued and unquestionably exceeded the patentee's statements made in the '144 patent prosecution history to distinguish the claimed invention over the prior art. There is no statement in the prosecution history that V_w must be stored in its "pure form," only that it must be stored.

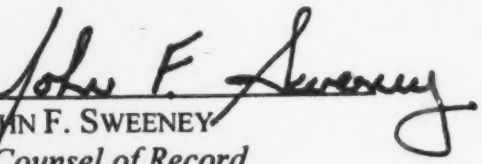
Thus, not only did the Federal Circuit unduly limit the '144 patent claims in connection with its claim construction based on an overly broad reading of arguments made in the prosecution history, but the appellate court then improperly relied on that claim construction analysis to completely bar application of the doctrine of equivalents without further explanation. Instead, relying on its decision in *Festo*, the Federal Circuit summarily estopped application of the doctrine of equivalents, which, if left unchecked, will effectively deprive AccuScan and future innovators of the right to a trial by jury on the issue of infringement under the doctrine of equivalents when claim construction is based on *arguments* made in the patent prosecution history.

CONCLUSION

The petition for a writ of *certiorari* should be granted and the judgment below reversed.

Respectfully submitted,

December 19, 2001

By: 

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